

CLAUSE H-2 – ADMINISTRATIVE PROCEDURES FOR CHANGES (August 2002)

- (a) The Subcontractor, in connection with any change, shall furnish a price proposal itemized as required by the Subcontracting Officer. Unless otherwise directed, the proposal shall be in sufficient detail to permit an analysis of all direct and indirect material, labor, equipment, subcontract, and overhead costs, as well as profit. The proposal shall cover all work involved, whether such work was deleted, added or changed. Any amount claimed for lower tier subcontracts shall be supported by a similar price breakdown. In addition, if the proposal includes a time extension, a justification therefore shall be furnished. The proposal, together with the price breakdown and time extension justification, shall be furnished by the date specified by the Subcontracting Officer.
- (b) Notwithstanding any other provisions of this contract, it is mutually understood that time extensions for changes in the work will depend upon the extent, if any, by which the changes cause delay in the completion of the various elements of construction. The change order granting the time extension may provide that the subcontract completion date will be extended only for those specific elements so delayed and that the remaining subcontract completion dates for all other portions of the work will not be altered.
- (c) When costs are a factor in any determination of a subcontract price adjustment pursuant to any provision of this subcontract, the costs shall be in accordance with the cost principles and procedures contained in Part 31 of the Federal Acquisition Regulations.
- (d) Allowable ownership and operating expense cost for construction plant and equipment in sound workable condition, owned and furnished by the Subcontractor for work requiring adjustments in contract price shall be at the rates shown in the current edition of the US Army Corps of Engineers, Construction Equipment Ownership and Operating Expense Schedule for Region II. Hourly rates for average conditions shall apply. No adjustments shall be made for age of equipment. Hourly rates will be adjusted using formulas in the schedule to reflect current fuel costs. Formulas in the schedule or rates for listed equipment will be used as a basis to determine rates for unlisted equipment. Copies of the schedule (Pamphlet 1110-1-8) may be obtained from Corps of Engineers, Publication Department, 890 S. Pickett Street, Alexandria, VA 22304.